

RECEIVED FEDERAL ELECTION COMMISSION OFFICE OF GENERAL COUNSEL Charles W Hatfield (573) 636-6827 chatfield@stinsonmoheck.com www.stinsonmoheck.com

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December 15, 2004

VIA FACSIMILE AND U.S. MAIL

Beth Mizuno Federal Election Commission 999 E. Street, NW Washington, DC 20463

Re: Zimmerman Properties, LLC, MUR 5611

Dear Ms. Mizuno:

As you know, we represent Zimmerman Properties, LLC and are providing this letter and the affidavit of Vaughan Zimmerman in response to Chairman Smith's letter of November 17, 2004. The Federal Election Commission indicates it has reason to believe Zimmerman Properties violated federal law by making a contribution to the Missouri Democratic State Committee on or about September 28, 2000. The staff of the Commission alleges that the contribution was either an illegal corporate contribution or violated the limits on individual contributions to a state committee. Neither is the case because Zimmerman Properties, LLC made its contribution pursuant to state law and with no purpose to influence an election for federal office. See affidavit of Vaughan Zimmerman, attached.

Page 1, line 22 and page 2, line 1, of the "factual and legal analysis" provided by the Commission allege, that "Zimmerman Properties LLC made a \$10,000 contribution to the Missouri Democratic State Committee ('the MCSC') in connection with the 2000 Federal elections." (emphasis added). The Commission provides no specificity or factual basis for the assertion that a contribution was made "in connection with . . . Federal elections." This factual assumption by the FEC is simply incorrect, as pointed out by Mr. Zimmerman's affidavit. Moreover, when Congress uses the term "contribution" in federal statutes relating to the conduct of elections, that term has been specifically defined to require that the contribution is made "for the purpose of influencing any election for Federal office." See 2 USC §431(8)(A)(i). Because Zimmerman Properties, LLC did not make its contribution for the purpose-of influencing any federal election, it did not violate any federal law prohibiting corporate contributions or limiting the amount of non-corporate contributions.

Federal law only supercedes state laws with respect to federal candidates, but not with respect to laws concerning non-federal candidates. 2 USC §108.7(a);

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Missouri law specifically allows corporations and limited liability companies to make unlimited contributions to party committees. See 130.011(22) RSMo, 130.029 RSMo. ("Nothing herein contained shall be construed to prohibit any corporation . . . from making any contributions or expenditures. . .") and 130.032 RSMo. Neither Missouri statutes, nor any state regulations, required Zimmerman Properties, LLC to provide any additional information to the Missouri Democratic Party in connection with its contribution, which was related to non-federal candidates.

We appreciate the opportunity to respond to your concerns and trust that this explanation will assure staff and the commission of our compliance with all applicable laws. Let me know if I can be of further assistance.

Sincerely,

STINSON MORRISON HECKER LLP

Charles W. Hatfield

Enclosure

AFFIDAVIT OF VAUGHN ZIMMERMAN

- 1. My name is Vaughn Zimmerman, I am over 21 years of age, and have personal knowledge upon which to the base the assertions in this affidavit.
- 2. Neither Zimmerman Properties, LLC nor its members, are corporations for tax purposes.
- 3. Sometime prior to September 28, 2000, Matt Knipp, an individual I believed to be employed by the Holden for Governor campaign, asked me to make contributions to the Missour Democratic Party.
- 4. Nr. Knipp never indicated that any funds I contributed would be used for federal activities
- 5. Flecause Mr. Knipp worked for a non-federal candidate, I believed and intended that any contributions would be used for non-federal activities.
- 6. Flased on that assumption, I caused Zimmerman Properties, LLC to issue a check for \$10,000 00 to the Missouri Democratic Party on or about September 28,2000.
 - 7. I would not have caused the contribution to be made had I known it would be used for federal activities.
 - 8. Zimmerman Properties, LLC did not intend the contribution at issue to be used for federal cundidates.
 - 9. 2 immerman Properties, LLC did not direct the Missouri Democratic State Committee to place the contribution in the federal account.
 - 10. 2'immerman Properties, LLC intended the contribution at issue to be placed in the non-federal account.
 - 11. 2'immerman Properties, LLC had no knowledge of what the Democratic Party did with the contribution and made no direction to the Party as to its use.

Further affiant saith not.

Vauchn Zimmerman

State of 'Aissouri)
)s
County of)

Subscribed and sworn to before me this ______day of December, 2004.

Kather & Reeker

1.1y commission expires ___

